



Norman H. Bangerter

Governor

Dee C. Hansen

Executive Director

Dianne R. Nielson, Ph.D.

Division Director

# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

355 West North Temple

3 Triad Center, Suite 350

Salt Lake City, Utah 84180-1203

801-538-5340

January 9, 1989

TO: Board of Oil, Gas and Mining

THRU: Kenneth E. May, Associate Director, Mining *KEM*

THRU: Lowell P. Braxton, Administrator *LPB*

FROM: Scott Johnson, Reclamation Engineer *Scott*

RE: Request of Board Concurrence, Amount and Form of  
Reclamation Surety, Interpace Industries, Inc., Clinton  
Mine, M/049/006, Utah County, Utah, and Pleasant View Mine,  
M/057/003, Weber County, Utah

An Executive Summary and a Reclamation Estimate is attached for each of the Clinton and Pleasant View Mines. These clay mines, operated by Interpace Industries, Inc., are located in Utah and Weber Counties, Utah. Due to the amount and form of reclamation surety submitted by the operator, these mines are presented together.

On December 12, 1988, the Division received an irrevocable standby letter of credit, to be used as reclamation surety for both mines, in the amount of \$25,000. The total reclamation surety required is \$118,100. The operator will reach the required amount, through semiannual escrow payments, by December, 1990. Pending approval of this arrangement, the operator has not filled out the required surety forms.

Tentative approval for the Pleasant View Mine was issued on July 22, 1987, and tentative approval for the Clinton Mine was issued on April 19, 1988. Public notices were published in the appropriate newspapers and no written public comments were received for either mine during the thirty day period following the publications.

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Board of Oil, Gas & Mining  
Clinton Mine, M/049/006  
Pleasant View Mine, M/057/003  
January 9, 1989

The following documents are attached for your consideration:

	<u>Pages</u>
1) Executive Summary, Clinton Mine	1, 2
2) Reclamation Estimate, Clinton Mine	3, 4
3) General Location Map, Clinton Mine	5
4) Public Notice, Clinton Mine	6, 7
5) Tentative Approval, Clinton Mine	8
6) Executive Summary, Pleasant View Mine	9, 10
7) Reclamation Estimate, Pleasant View Mine	11
8) General Location Map, Pleasant View Mine	12
9) Public Notice, Pleasant View Mine	13, 14
10) Tentative Approval, Pleasant View Mine	15, 16
11) Escrow Schedule	17
12) Surety	18, 19

The original letter of credit will be available for inspection during the Board Meeting on January 26, 1989.

jb  
Attachment  
MN17/29-30

## EXECUTIVE SUMMARY

Mine Name:	<u>Pleasant View Mine</u>	I.D. No.:	<u>M/057/003</u>
Operator:	<u>Interpace Industries, Inc.</u>	County:	<u>Weber</u>
	<u>Highway 27</u>	New/Existing:	<u>Existing</u>
	<u>Mica, Washington 90023</u>	Mineral Ownership:	<u>Fee</u>
Telephone:	<u>(509) 924-2120</u>	Surface Ownership:	<u>Fee</u>
Contact Person:	<u>George Beamer</u>	Lease No.(s):	<u>N/A</u>
Life of Mine:	<u>25 Years</u>	Permit Term:	<u>5 Years</u>

Legal Description: Section 13, T7N, R2W SLBM

Mineral(s) to be Mined: Clay

Mining Methods: Open pit, ripping and bulldozing, truck and shovel.

Acres to be Disturbed: 12.1

Present Land Use: Rangeland, wildlife and mining (currently idle)

Postmining Land Use: Rangeland and wildlife

Variances from Reclamation Standards (Rule M-10) Granted: None

### SOILS and GEOLOGY:

Soil Description: The average depth range of recoverable topsoil is 1 to 3 inches. 3,000 cubic yards of topsoil will be salvaged during the permit term.

pH: 7 - 8

Special Handling Problems: Due to limited topsoil availability, Diammonium phosphate (18-46-0) fertilizer will be incorporated into the soil at the rate of 200 lbs./acre.

Geology Description: The deposit is generally circular in shape. Mining depth is limited by moisture content of the shales, or by intercepting locally underlying gravels.

### HYDROLOGY:

Ground Water Description: Ground Water stratas lie below anticipated mining development, and no aquifer or stream has been encountered in the existing pits.

Surface Water Description: Surface water is limited to storm activity.

Water Monitoring Plan: N/A

ECOLOGY:

Vegetation Type(s); Dominant Species: Existing vegetation cover is 50 percent; Sagebrush and grasses.

Percent Surrounding Vegetative Cover: 50 percent

Wildlife Concerns: None

Surface Facilities: None

Mining and Reclamation Plan Summary: \_\_\_\_\_

During Operations:

1. A series of small pits will be mined by open pit methods.
2. Soil material and overburden will be stored in separate stockpiles for future reclamation.
3. Reclamation will be carried out concurrently with mining as follows:
  - a). Mounds and sharp escarpments will be reduced;
  - b). Clays, shales, and ancillary storage facilities will be regraded;
  - c). Stockpiled topsoil will be redistributed over the graded areas;
  - d). The soil will be disced, fertilized and seeded with native vegetation.

Following Operations:

Remaining reclamation and restoration will be completed within 24 months after mining activity has ceased, and prior to mine abandonment.

SURETY:

Amount: \$27,900  
Form: Irrevocable Letter of Credit  
Renewable Term: Semiannually until total amount is obtained; thereafter to be reviewed every five years, starting in 1993.

Reclamation Bond Estimate  
Pleasantview Pit - M/057/003  
by  
Frank J. Filas  
(Revised May 17, 1988)

Item I

Redistribute 10,000 yards of stockpiled material into existing pits.

Cost = 10,000 yds x \$1.00/yd = \$10,000

Item II

Recontour surface and distribute subsoil and topsoil over surface.

Equipment	\$Cost/Hr*	Hrs.	Cost
D-8 Dozer	110.00	58	\$ 6,380
3 yd Loader	60.00	24	1,440
7 yd Trucks	36.00	48	<u>1,730</u>
Sub Total			\$ 9,550

\*Equipment costs are based on local contractor rates which were provided to the Division by Mr. Brian Burnett on May 10, 1988.

Item III

Prepare seedbed, seed and fertilize.

Tractor, disk, and two laborers for 10 hours.

\$65.00/hr x 10 hours = \$ 650

Seed and fertilizer cost

\$200/acre x 12 acres = \$2,400

Sub Total \$3,050

Total Cost

Item I	Redistribute Material	\$10,000
Item II	Grading and Recontouring	9,550
Item III	Seeding	<u>3,050</u>

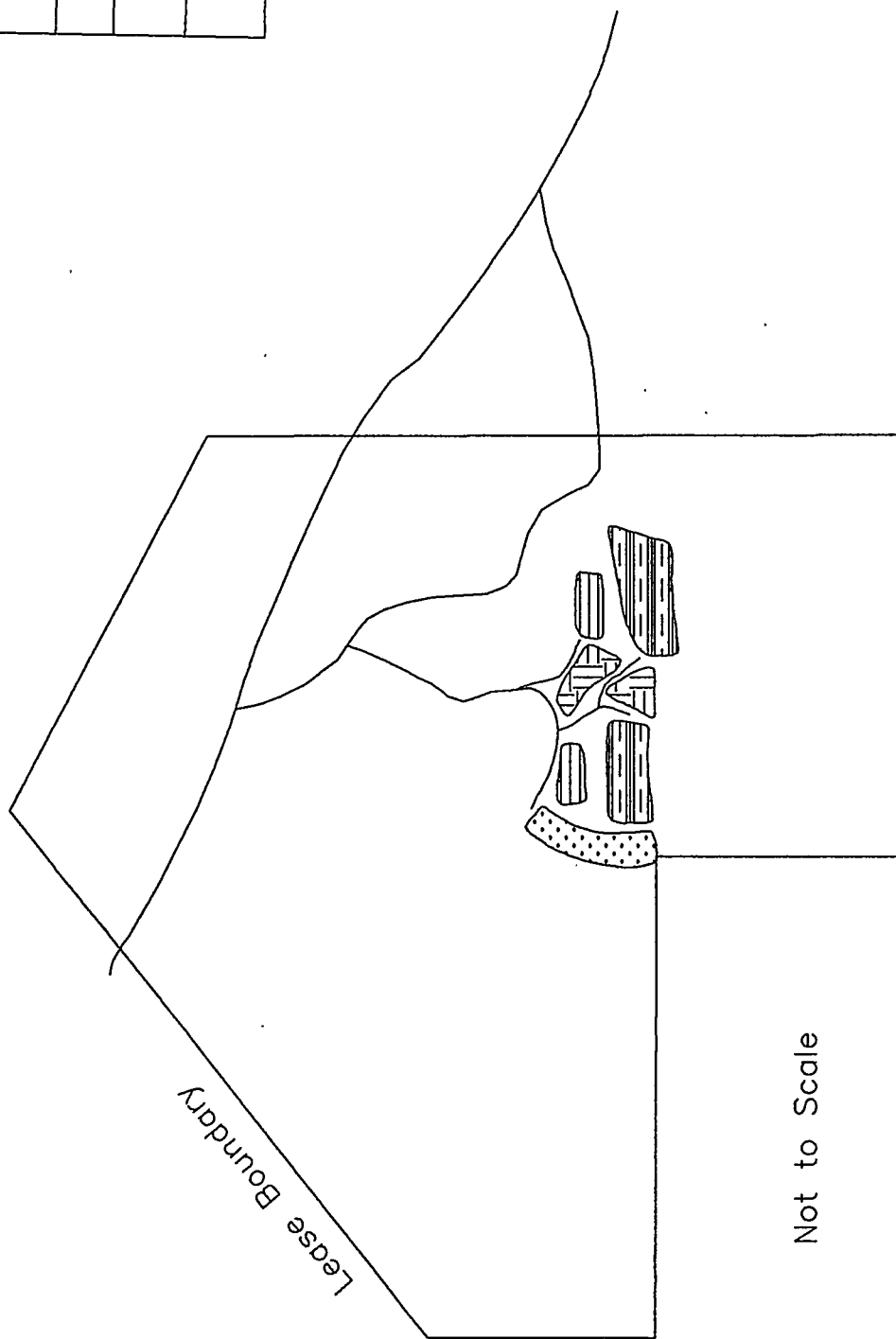
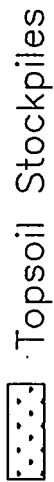
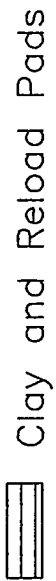
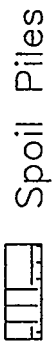
Total \$22,600

Ten Percent Contingency \$ 2,260

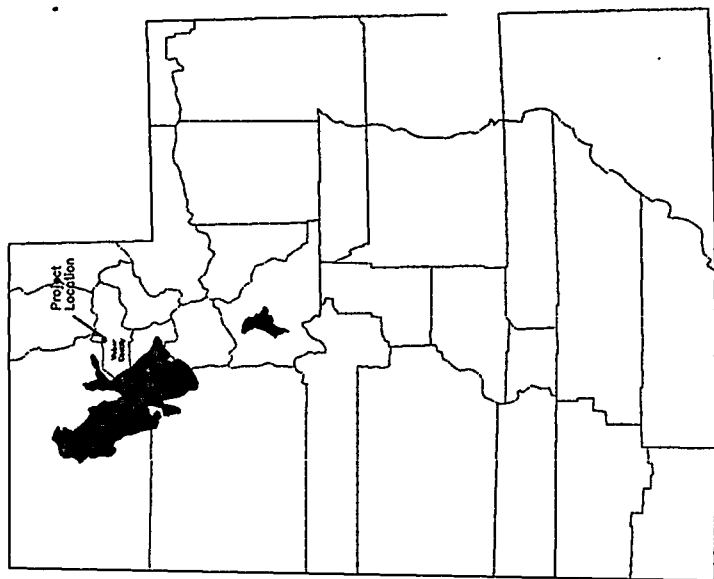
Total in 1988\$ \$24,860

2.3% inflation added for five years (1993\$) \$27,900

1243R-15



Not to Scale



Interpace Industries, Inc  
Pleasant View Mine

Weber County, Utah  
OGM File: M/057/003

Map Compiled January 6, 1989



State of Utah  
Natural Resources  
Oil, Gas and Mining

DIVISION OF OIL, GAS AND MINING  
DEPARTMENT OF NATURAL RESOURCES  
IN AND FOR THE STATE OF UTAH

---ooOoo---

IN THE MATTER OF TENTATIVE	:	NOTICE OF TENTATIVE
APPROVAL OF THE MINING AND	:	APPROVAL
RECLAMATION PLAN PERMIT	:	NO. M/057/003
APPLICATION SUBMITTED BY	:	
INTERPACE INDUSTRIES, INC.,	:	
WEBER COUNTY, UTAH	:	

---ooOoo---

THE STATE OF UTAH TO ALL OPERATORS, TAKERS OF PRODUCTION,  
MINERAL AND ROYALTY OWNERS, AND PARTICULARLY ALL PERSONS INTERESTED  
IN SECTION 13, TOWNSHIP 7 NORTH, RANGE 2 WEST, SLBM, WEBER COUNTY,  
UTAH.

Notice is hereby given that tentative approval was given by the  
Division of Oil, Gas and Mining, on July 23, 1987, to Interpace  
Industries, Inc. to conduct surface mining operations in the SE1/4  
of Section 13, Township 7 North, Range 2 West, SLBM, Weber County,  
Utah.

The name of the shale mining operation is the Pleasantview Pit,  
and the person representing the company is Mr. George A. Beamer,  
Engineer, Interpace Industries, Inc., Highway 27, Mica, Washington  
99023.

Interpace Industries, Inc. has fulfilled obligations under the  
Utah Mined Land Reclamation Act of 1975 (Section 40-8, UCA 1953, as  
amended) with specific reference to Section 40-8-13 and will employ  
the following mining and reclamation techniques on approximately 12  
acres of privately owned land. The mine is an existing operation  
with a planned mine life of an additional 25 years.

During Operations:

- 1) Mining will be worked in a series of small pits disturbing  
a total of 12 acres.
- 2) Soil material and overburden will be stored in separate  
stockpiles for future restoration use.
- 3) Reclamation will be completed as areas are mined out as  
follows:

- i) Mounds and sharp escarpments will be reduced.
- ii) Clays, shales, and ancillary storage facilities will be regraded.
- iii) A mantle of soil material will be redistributed over the regraded areas.
- iv) The soil will be disced and seeded with native vegetation.

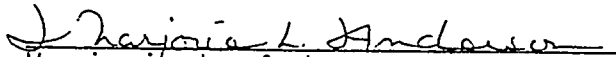
Following Operations:

Any remaining reclamation and restoration will be completed 24 months after extractive activity has ceased, and prior to mine abandonment.

Any person or agency aggrieved by this tentative decision is hereby requested to submit written protest with thirty (30) days of the date of publication to the Division of Oil, Gas and Mining, 355 West North Temple, 3 Triad Center, Suite 350, Salt Lake City, Utah 84180-1203, setting forth factual reasons for his or her complaint, and thereafter, at a time and place to be established, appear before the Board of Oil, Gas and Mining to show cause, if any, why this mine plan should not be approved.

Dated the 23rd day of July 1987.

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

  
Marjorie L. Anderson  
Administrative Assistant

1243R/16-17





STATE OF UTAH  
NATURAL RESOURCES  
Oil, Gas & Mining

File  
Norman H. Bangerter, Governor  
Dee C. Hansen, Executive Director  
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

July 22, 1987

Mr. George A. Beamer  
Product Development Engineer  
Interpace Industries, Incorporated  
Highway 27  
Mica, Washington 99023

Dear Mr. Beamer:

Re: Tentative Approval for Mining and Reclamation Plan, Pleasantview Pit, M/057/003

The Division has completed the technical review of the Mining and Reclamation Plan for the Pleasantview Pit which was received on July 13, 1987. The plan adequately addresses all aspects of the Pleasantview Pit's operation and reclamation, and the Division hereby grants tentative approval of the plan.

The Division has prepared a public notice and will forward this information to the appropriate newspaper agencies for publishing. Assuming there are no adverse comments received during the 30-day public comment period, the Division will be prepared to grant its final approval and issue a permit when the following conditions are met:

1. The Division combined the documents received into one plan. This was done for reasons of clarity and consistency. A minor amount of editing was necessary to accomplish this. Please review the enclosed copy of the mine plan to be sure that it correctly represents Interpace's plans. We will require a letter from you stating:
  - a) that the plan is correct as written; or
  - b) what changes are required.
2. Interpace Industries, Inc. submits a reclamation surety bond for \$45,600 (estimate attached). Enclosed is an informational packet describing the various types of surety that can be used. Be sure to attach FORM MR-5, Exhibit A, and an "Affidavit of Qualification" with the bond.

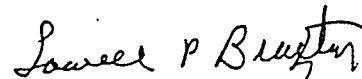
verbally  
agreed to on  
phone: FF 9/8

Page 2  
Mr. George Beamer  
M/O57/C03  
July 22, 1987

Upon receipt of the above information, an executive summary of your proposed mining operation and reclamation plan will be presented before the Board of Oil, Gas and Mining. The Board will be asked for an approval of the amount and form of the reclamation surety at that time. Final permit approval will be issued when the Board approves the surety.

The Division appreciates your cooperation in this permitting activity. Should questions or concerns remain, please contact Frank Filas of my staff or me.

Sincerely,



Lowell P. Braxton  
Administrator  
Mineral Resource Development  
and Reclamation Program

FJF/clj  
Enclosures - *Handwritten note: 1 copy to Mr. Beamer, 1 copy to Mr. Filas, 1 copy to Mr. Jensen, 1 copy to Mr. Wham*  
cc: F. Filas  
F. Jensen  
D. Wham  
1243R/13-14

Proposed reclamation surety escrow schedule  
for the Clinton and Pleasant View Mines:

Date		Amount Received	Total Amount Held	Percent of Total
December	1988	25,000	25,000	21.2
June	1989	25,000	50,000	42.3
December	1989	25,000	75,000	63.5
June	1990	25,000	100,000	84.7
December	1990	18,100	118,100	100.0



**SEATTLE-FIRST NATIONAL BANK**

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SEATTLE, WASHINGTON 98124 U.S.A.  
CABLE: FIRSTBANK SEATTLE TELEX: 320249

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Standby LC Number 70764-G

IRREVOCABLE STANDBY LETTER OF CREDIT

09 DECEMBER 1988

LETTER OF CREDIT NUMBER [REDACTED]

BENEFICIARY:

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING  
3 TRIAD CENTER, SUITE 350  
355 WEST NORTH TEMPLE  
SALT LAKE CITY, UTAH 84180-1203

ACCOUNT PARTY:

INTERPACE INDUSTRIES, INC.  
12502 132ND AVE. N.E.  
KIRKLAND, WA 98034

AMOUNT: USD25,000.00  
(TWENTY-FIVE THOUSAND AND NO/100 U.S. DOLLARS)

WE HEREBY ISSUE OUR IRREVOCABLE STANDBY LETTER OF CREDIT IN YOUR FAVOR,  
WHICH IS AVAILABLE AGAINST PRESENTATION OF THE FOLLOWING:

1. YOUR SIGHT DRAFT DRAWN ON SEATTLE-FIRST NATIONAL BANK, AND STATING  
THE LETTER OF CREDIT NUMBER.
2. THE ORIGINAL OF THIS STANDBY LETTER OF CREDIT.

THIS LETTER OF CREDIT EXPIRES AT THE COUNTERS OF SEATTLE-FIRST NATIONAL  
BANK, LETTER OF CREDIT DEPARTMENT, CURRENTLY LOCATED AT 800 FIFTH AVENUE,  
FLOOR 31, SEATTLE, WASHINGTON 98104 ON 09 DECEMBER 1989.



**SEATTLE-FIRST NATIONAL BANK**

MEMBER FDIC

INTERNATIONAL TRADE OPERATIONS

P.O. BOX 3977

SEATTLE, WASHINGTON 98124 U.S.A.

CABLE: FIRSTBANK SEATTLE TELEX: 320249

Page 2 of 2

Standby LC Number

SPECIAL CONDITIONS:

IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT SHALL BE DEEMED AUTOMATICALLY EXTENDED FOR SUCCESSIVE ADDITIONAL PERIODS OF ONE (1) YEAR FROM THE PRESENT OR ANY FUTURE EXPIRATION DATES HEREOF, UNLESS AT LEAST 90 DAYS PRIOR TO SUCH EXPIRATION DATE, WE NOTIFY YOU IN WRITING THAT WE ELECT NOT TO EXTEND THIS LETTER OF CREDIT FOR SUCH ADDITIONAL PERIOD.


NOT WITHSTANDING THIS AUTOMATIC EXTENSION PROVISION, THIS LETTER OF CREDIT WILL HAVE A FINAL EXPIRY DATE OF 9 DECEMBER 1992 BEYOND WHICH DATE IT WILL NOT BE FURTHER EXTENDED EXCEPT BY FORMAL AMENDMENT TO THIS LETTER OF CREDIT.

We hereby engage with you that drafts and documents drawn under and in strict compliance with the terms of this Letter of Credit will be duly honored upon presentation to us.

THIS LETTER OF CREDIT IS SUBJECT TO UCP 1983 REVISION ICC PUBLICATION NUMBER 400.


VERY TRULY YOURS,  
SEATTLE-FIRST NATIONAL BANK

BY

  
AUTHORIZED SIGNATURE

Robert A. Day

BY

  
AUTHORIZED SIGNATURE

MONROE